GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:6196
ANSWERED ON:11.04.2017
MSP for Agricultural Produce
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Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) the criteria on which production targets for different crops are decided and the manner in which the Government measures this target during the course of the time;

(b) whether it is a fact that the National Commission on Farmers headed by Dr. M.S. Swaminathan had recommended for fixing of Minimum Support Price of foodgrains at least 50 per cent more than the weighted average cost of productions, if so, the details thereof;

(c) whether the MSP for foodgrains announced by Government for 2016-17 met this recommendation or the Government is planning to implement the said recommendations in the coming years, if so, the details thereof and the crops covered/proposed to be covered thereunder and if not, the reasons therefor;

(d) the steps taken to increase awareness among farmers about agricultural marketing; and

(e) whether the Government is aware that there are so many middlemen engaged in agricultural marketing who wipes out profit of farmers and if so, the details of the steps taken to safeguard the interest of the farmers?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a): Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) fixes target for production of foodgrains & commercial crops on annual basis by taking into account various factors such as the past trend of production, crop production potential, agro climatic & edaphic conditions etc. The State Government also plan their targets for the crops.

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(b) & (c): Government fixes Minimum Support Price (MSP) for twenty two (22) commodities viz, Wheat, Paddy, Maize, Jowar, Bajra, Ragi, Barley, Arhar (Tur), Moong, Urad, Gram, Masur, Groundnut, Rapeseed/Mustard, Soybean Sesamum, Sunflower seed, Safflower, Nigerseed, Cotton, Jute, Copra and Fair Remunerative Price (FRP) for Sugarcane based on the recommendations of the Commission for Agriculture Costs & prices (CACP), including the views of concerned State Governments and Central Ministries/Departments. While recommending price policy, the CACP considers, interlia, a number of important factors which include cost of production, trends in market prices, demand and supply situation, effect on general price level and effect on cost of living etc.

The MSP fixed by the Government for 2016-17 provides adequate returns over all India weighted average paid out costs including family labour has estimated by the CACP. MSP is recommended by CACP based on objective criteria, considering variety of relevant factors. Hence, prescribing an increase of at least 50% on cost may distort market.

(d) & (e): The awareness among farmers about agricultural marketing is created through National Agriculture Market (e-NAM), AGMARKNET, Kisan Portal, SMS, Participation in Kisan Melas, exhibitions, electronic & print media.

The Government has launched National Agricultural Market (e-NAM) scheme on 14th April, 2016. The scheme aims to create a unified agri-marketing portal for online trading of agri-produce. 417 markets across 13 States have been integrated with e-NAM by 31 March, 2017. The farmer can sell his produce to a buyer of his choice across different markets and get maximum price of products depending on their quality, hence eliminating the presence of middlemen.

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